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ABSTRACT

This study examined how eight rural, high-impact Minnesota school districts (defined as those losing or gaining a high percentage of student population due to school-choice implementation in fiscal year 1995) responded to school choice policy. Data from semistructured interviews with each district's superintendent were sorted and analyzed. In each case, financial shifts in revenue due to school choice have substantially affected programs, staffing, and resources. High-loss districts reported increased class sizes, elimination of specific academic programs, and cuts in extracurricular offerings. High-gain districts were able to decrease class size, expand field trips and curricula, and equip schools with the latest technology. Also, high-loss districts have shouldered proportionally more special-education costs, leaving less money available for regular programs. Some parents use the threat of school choice transfer as a bargaining chip in power struggles. Open enrollment opens schools to harsher criticism. Some superintendents view neighboring district heads as rivals, not colleagues. Choice, a "fait accompli," seems a nonissue for tenured teachers. The requirements of a voluntary free-exchange system or competitive market model may not conform with the reality of school choice policy as implemented in Minnesota. (12 references) (MLH)

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HIDDEN CONSEQUENCES OF SCHOOL CHOICE: IMPACT ON PROGRAMS, FINANCES, AND ACCOUNTABILITY

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Introduction

Public schools have witnessed escalating criticism, especially since the publication of A Nation at Risk in 1983. As a result of this widespread and widely publicized dissatisfaction, numerous reform efforts have emerged. One of these efforts, school choice, in its variety of forms, has especially enjoyed increasing popularity. Open enrollment, charters and vouchers have risen to prominence in the national educational arena as a means to harness the positive consequences of the market-model, infuse public schools with competition, and increase accountability to the "consumers"--i.e., the parents.

Though much is written about school choice, the debate often involves more speculation than actual evidence and facts. Research evidence about the impact of school choice is scanty, and sometimes controversial, for example, Witte (1994) and Greene, Peterson, and Du's (1996) ongoing debate about the effects of vouchers in Milwaukee. Knowledge about long-term consequences of school choice is particularly lacking. As more and more states jump onto the school choice bandwagon, specific unintended consequences of the policy may remain hidden from the public view, or, at least, unrecognized. This research project was designed to contribute to the understanding of how districts respond to and are impacted by school choice implementation.

Theoretical Framework

Some of the most articulate arguments advocating for school choice are found in the theoretical work of Milton Friedman (1962, 1979). Friedman, an economist, delineated the necessary requirements for a "voluntary exchange" system, essentially the capitalist free-market model. Friedman's market-model formulation links freedom to choose, with freedom from governmental coercion, as well as economic freedom. He believed that economic freedom is only available via a competitive market-model and is essential to political freedom. In his view, government-owned monopolies, such as public education, are unresponsive institutions, and interfere with the rights of individuals and limit the ability for the public consumers to be "sovereign."

His work was seized by Chubb and Moe (1990), Chester Finn (1990), Presidents Reagan and Bush and was used to advance the cause of school choice. Friedman and Chubb and Moe outlined three requirements for a free-market: (1) exchanges are to be voluntary; (2) enterprises are privately owned; and (3) natural selection should be allowed to occur. Within public schools, these translate into allowing parents to chose among any available school, include vouchers to private schools, and allow (or even encourage) schools which lose significant numbers to close their doors. Friedman also added the requirement that voluntary exchange (i.e., a true free-market situation) demands that "nearly equal alternatives" exist (Friedman, 1979).

This market-model of education raises questions of accountability (i.e., schools being responsive to parental wishes), and the existence of "nearly equal alternatives" (i.e., the presence of "fair" competition). One of the imbedded, but rarely discussed policy issues, therefore, is to what degree do nearly equal alternatives exist, and to what extent can and do districts respond to parental desires. One key point which is usually ignored in national and state policy discussions surrounds the funding of choice plans. Since educational opportunities are intricately linked to financial resources, a detailed look at the financial arrangements and outcomes of these arrangements may be essential to test whether the market-model as envisioned can be successfully transposed to public schools. Thus, this study focused on how districts have responded to school choice, including, but not limited to, financially determined events.

Research Question

The main research question which organized this study was "How do high-impact[1] districts respond to school choice policy? " This question was answered primarily through interviews with superintendents and therefore is limited to their perspective.

Four factors contributed to the direction of this research. First, state level proclamations of effects of school choice (macro level analysis) often cite averages which have the potential to obscure experiences of those in the "field." This research study was constructed to unveil school choice effects at the "micro-level." Interviews with superintendents living with this policy, as well as document review were used to understand the impact of school choice in Minnesota from an "emic" perspective.

In addition, the sites chosen to investigate were districts which have experienced large numbers of in- or out-migration due to school choice options. My assumption here was that to predict the effects of wide-spread implementation, it is necessary to study those districts who have experienced "high impact."

Third, the effects of school choice policy are not expected to occur quickly. Schools and districts need time to react to market pressures and develop strategies to change. Thus studying school choice implementation requires sites with a longer history of the policy.

Last, most of the research thus far has concentrated in choice programs in urban settings. Coming from a rural state, I wanted to be able to understand the dynamics of choice in a comparable "non-urban" context. School choice in rural areas, without any public transportation,

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[1] In this study, *high-impact* districts are defined as those districts which have lost or gained a high percent of their student population due to school choice implementation in the fiscal year 1995. The term, *high-impact*, therefore, encompasses two groups: *high-loss* districts and *high-gain* districts. *High-loss* districts are districts which have lost significant percentage of student population due to choice options; *high-gain* districts are districts which have gained significant percentage of students due to choice options. These districts were identified statistically as "outliers."

with large distances between communities, and with low population density, may have very different impact than choice in metropolitan centers.

Methods

Site

I chose Minnesota as my research site since it met three criteria. First, other than some long established magnet programs, it has the longest history of school choice plans, and therefore districts have experienced the market-pressures and have had the opportunity to respond to the infusion of competition. Second, there are identifiable high-impact districts which have experienced significant population changes due to choice. And last, with the exception of Minneapolis-St. Paul and a few other cities, Minnesota is a relatively rural state and therefore a reasonable site to study effects in non-urban areas.

Subjects

I chose eight districts to investigate from a larger sample of high-impact districts from another research study (Jimerson, 1997). Five of the districts were statistically identified as high-loss districts, and three districts were high-gain districts. These districts were geographically spread over four rural counties. There was some "matching" of interview sites, in that I looked for high-loss and high-gain districts of approximately the same size, similar distance to an urban center, and serving the same grades.

Data

I used qualitative methods to answer the research question. Interviews were conducted with the eight superintendents in these districts. These interactions ranged from one to three hours and I used a semi-structured interview protocol. Other interviews with state level personnel provided additional data. In addition, document review and analysis were used to triangulate the information obtained in interviews. For example, when I began to hear that Special Education costs were a particular problem with high-loss districts, I was able to obtain special education expenditure data from the state to help understand the extent of the problem and the context. Other documents included referendum history, per-pupil costs, revenue contributed by local, state and federal sources, student population history, etc. This information was available through the Minnesota Department of Children, Families and Learning (formerly the Department of Education) and various published statistical reports.

Analysis

All interviews and my notes were transcribed and analyzed according to strategies suggested by Glesne and Peshkin (1992). My basic task in the analysis of the qualitative data was to uncover the major themes embedded in the data. This became a fluid process of organizing, reorganizing, sorting, resorting, and reflection on the bits of data and information inlaid within the

interviews and the other data sources. Thus, this analysis involved the following steps: First, I coded and categorized the data; then I searched for patterns; next, I organized the patterns into themes; and lastly, I interpreted the results.

Transcriptions of my interview notes, my reflections recorded immediately after each interview, and notes of other interactions served as the primary information "bits" for my analysis. I also incorporated, indeed sought, information from documents, reports, spreadsheets which clarified, expanded, and/or triangulated themes from the transcriptions. Actually in some cases, interview themes appeared to contradict other descriptive data, which spurred additional interviews and further scrutiny of documents. Some numerical data obtained through the various documents were analyzed with "descriptive" techniques, determining means and doing t-tests when appropriate.

Results

My initial telephone contact with Department of Children, Families, and Learning (DCFL) personnel in Minnesota about the impact of school choice indicated a fairly benign scene. A knowledgeable senior administrator related that "only 3% of the students take advantage of school choice options. In most schools, a few students transfer in, a few transfer out. There really is little impact for these schools, but the parents are happy."

Emergent themes from the interviews and information from other descriptive data describe a very different picture than that related by state level administrators at the Minnesota DCFL as quoted above. For these high-impact rural districts, widespread school choice utilization *did* have a significant impact. These themes are:

Financial Implications: Creating Winners and Losers

Accountability?--Effects on tax-payers

Interpersonal Conflicts: Tensions and Power Struggles

School Choice: A *Fait Accompli* .

The first three themes describe the consequences of school choice on these districts. The last theme, School Choice: A *Fait Accompli*" describes ways in which school choice either has no impact, or no longer is a concern for some stakeholders.

Financial Implications: Creating Winners and Losers

For these high-impact districts, financial shifts in revenue due to school choice has had a major impact on programs, staffing and resources. High-loss districts reported increasing class sizes, elimination of specific programs (like elementary science, advanced high school math and science classes), and cuts in extra-curricular offerings. High-gain districts were able to decrease class size, expand field trips, curricular offerings, and equip the schools with the latest technology.

The loss and gain of a variety of programs and staff in these districts illustrate that some of the financial assumptions made by state policy makers do not hold up. The policy assumption is that fewer students will cost less to educate; additional students cost more to educate. By shifting per-pupil costs, or even less than that amount, it is hoped that the financial impact of loss of revenue *equals* the lower costs of a smaller student body. In these high-impact districts, the picture is not so tidy. Loss of revenue per-pupil has clearly decimated many educational programs. Table 1 and Table 2 summarize these findings.

Table 1

Programs and Staff Reduced or Eliminated in High-Loss Districts in Interview Sample

No. of Students Transferring out of District[a]	Percent Population Loss	Per-pupil State Aid Loss	Approx. Total Financial Impact	Programs/Staff Reduced or Eliminated
50	- 13.6 %	$3505[b]	-$175,250	Eliminated 2 elementary classroom teachers Reduced Headstart from full time to half time Eliminated elementary science position
58	- 30.5 %	$3517[b]	-$203,986	Eliminated 1 elementary classroom teacher Reduced number of SPED aides
43	- 11.6 %	$5000[c]	-$215,000	Reduced music program Eliminated all SPED aides Cut positions in advanced science and math
402[d]	- 11.7 %	$3500[c]	-$1,407,000	Reduced number of SPED aides Cut number of foreign languages taught in H.S. Cut elementary guidance positions
151	- 17.5 %	$3542[b]	-$534,842	Reduced number of SPED aides Cut number of foreign languages taught in H.S. Eliminated foreign language in elem. grades Reduced number of calculus & physics classes

[a]Actual numbers for FY 95 based on DCFL data. [b]These figures *underestimate* the financial impact for FY95. Per-pupil state aid is figured using FY 94 revenue. Final FY 95 data was unavailable at the time of this research, but officials at DCFL confirmed an increase for FY 95. [c]This data reported by district superintendents. [d]District total for all 7 schools.

Table 2

Programs and Staff Added in High-Gain Districts in Interview Sample

No. of Students Transferring into District[a]	Percent Population Gain	Per-pupil Additional State Aid[b]	Approx. Total Financial Impact[b]	Programs/Staff Added or Increased
22	+ 26.5 %	$2978	$65,516	Expanded field trips--number and type Technology acquisitions Additional staff for: elementary foreign language SPED--teacher and aides
57	+ 11.7 %	$3338	$190,266	Additional staff for: elementary music foreign language teacher (full time) physical education SPED--teacher and aides Added full-time Social Worker Added extra-curricular programs, eg., golf
121	+ 38.9 %	$3364	$407,044	Technology acquisitions Totally networked schools Added TV studio Additional staff for: elementary keyboarding middle level English teachers foreign language home economics advanced math advanced science SPED--teachers and aides Added classes in: drama journalism creative writing Added full-time nurse Added after-school clubs: speech, debate, chess More field trips

[a]Actual numbers for FY 95 based on DCFL data. [b]These figures *underestimate* the financial impact for FY 95. Per-pupil state aid is figured using FY 94 revenue. Final FY 95 data were unavailable at the time of this research, but officials at DCFL confirmed an increase for FY 95.

Accountability?--Effects on tax-payers

One apparent outcome of wide-spread school choice, is that high-loss districts have had to shoulder proportionally more special education costs. T-tests reveal that these districts allocate significantly more money to special education, when compared to the high-gain districts. In addition, analysis of referendum history indicates that high-loss districts have voted to add *over two times* the amount of per-pupil revenue (though local taxes) as compared to high-gain districts. Both of these financial outcomes have "hidden" implications about the financial assumptions of school choice policy, at least as it presently exists in Minnesota. First, since significantly more money needs to be allocated to special education, less money is available for "regular" programs in high-loss districts. Second, it appears that to some extent, that referendums are used by high-loss districts to counteract the revenue loss due to school choice. Both of these financial issues call to question the *real* ability of districts to be responsive to parents and the degree to which local tax-payers are forced to pay extra for parental choices to attend other, out-of-district, schools.

Table 3 shows the incidence and amount of referendums in these districts.

Table 3
Referendum Incidence and Amount Per-Pupil

		Presence of Referendum FY95		Per-Pupil Amount: Five Year Average (FY91-FY95)
Group	n	No. of Districts	Percent	
High-Loss	20	16	80.0%	$676.48
High-Gain	17	8	47.1%	$326.79

Note. In FY95, 70% of all districts in Minnesota had referendums.

Special education data presents a complex image of school choice impact. The percent of special education students in high-loss districts is higher, but not at a statistically significant level, than those in high-gain districts. However, the relative costs for special education *is significantly higher* in high-loss districts. (See Table 4) One possible explanation is found in the state legislated bill-back provision, which requires resident districts to pay for extra costs of educating special needs children, even when they are served in other districts.

Table 4
Special Education Expenditures: Percent of Operating Budget and Average Cost per Special Education Student for FY 88 and FY 94

Group	Percent of Total Operating Budget Used for SPED				Average Cost per SPED Student			
	FY 88		FY 94		FY 88		FY 94	
	n	Mean	n	Mean	n	Mean	n	Mean
High-Loss	19	7.9 %	19	15.9 %	19	2234.63	19	6045.45*
High-Gain	17	17.5 %	14	11.4 %	16	5228.48	16	4351.03*

*$p < .05$, t-test

Interpersonal Conflicts: Tensions and Power Struggles

Less obvious and not anticipated are repercussions of school choice which affect interpersonal relationships. Superintendents from both high-gain and high-loss districts identified perceptions that some parents used the threat of school choice transfer as a bargaining chip in power struggles. In all schools, there are situations where parental demands and professional judgement are incompatible. What is occurring in some cases in Minnesota, since the advent of choice, is that parental demands are now accompanied by a financial price tag. Superintendents from both groups reported increased pressures from parents to allow for "special favors"--or--move their children to another school. Further exploration is needed to understand the extent to which these dynamics occur.

One superintendent from a high-gain districts stated, "When you open the schools to open enrollment, you open them up to a lot of criticism. Everyone wants a favor, whether it is curriculum or athletics. It has made the schools more accountable to the public in some ways. In some ways, however, it is more negative than positive..."

Another superintendent put it this way, "...Sometimes it bothers me. I wonder where it will wind up. We talk about our own Sally and Suzy, but we don't care about other kids."

The other area of interpersonal conflict which surfaced is between superintendents. Some superintendents revealed feelings of resentment and discomfort when interacting with neighboring superintendents, who are now viewed as rivals in the competitive situation. Some superintendents clearly expressed a change in sentiment from a collaborative and supportive stance, to one in which competitive pressures interfered with a generosity of spirit.

One superintendent described how a neighboring superintendent recruited a student who couldn't play football in his local school because of low grades. "...At this point there is a secret

meeting with parents to recruit them. The superintendent comes to their house. Next thing you know he is sending a bus into town...The family has a lot of friends and the mother helps recruit other parents and they all leave. Now the kid goes to Sam's school and is able to play football..."

One superintendent from a high-gain district lamented, "In the past with cooperative arrangements, I would take kids into this district who would do better here. No funds were exchanged unless the other district offered to pay. Now that rarely happens. Some of the other superintendents around here don't want to work with me--because our district is a winner."

School Choice: A *Fait Accompli*

An additional unexpected theme which emerged was the extent to which school choice had no impact for some stakeholders, or no longer was perceived as a critical issue. According to the superintendents in this sample, teachers have not been concerned about school choice even when school population and revenue is greatly effected. A few superintendents cited the tenure laws as insulating teachers from the realities of the consequences of school choice. Similarly, superintendents reported that parental involvement in local schools, and community support has been consistently high and has not been impacted by school choice. The lack of more dramatic reverberations in high-impact districts is baffling.

The following quotations from three different superintendents describes this feeling.

"Most principals and teachers are tenured, so they stay. We have some districts buy transfer rights in the contract, so if there is no job in one school in our community, they can go to another. That is how we weather the storm and teachers don't get fired on bump day. Choice is really a non-issue for teachers."

"There is not a lot of change of attitude from open enrollment. Not even among administrators. That is why I am really concerned. They (the teachers and administrators) are not grabbing hold of the challenge and doing what is needed. They are not doing what is competitive."

And lastly, "Our school have really eroded because of choice. We have to think about perceptions. Small schools are not minature versions of large schools. We can't compete with them. We have to be something special. We have to be different. This is a 7-up world. We can't be just another regular drink."

Second, most of the superintendents viewed school choice as a *fait accompli*, a given, at least for Minnesota. The graduation rule, vouchers, and the "politicization" of the education commissioner are now commonly identified problems for public education in Minnesota.

One superintendent from a high-loss district said," We don't get that excited anymore by open enrollment. Five thousand kids have walked out the door by choice. It isn't about what is right and wrong, but how to get around what is right and wrong."

"The State Department of Education used to be advocates of educators and education. Now we have an adversarial relationship. The last five commissioners we have had in the last six years have been political puppets. This is one reason why I am retiring."

"Vouchers will wind up bankrupting Minnesota. Over 100,000 kids in Minnesota are taught at home. At this point there is no clear concept of what a school is. If we have vouchers, then home schoolers will get $3500 and they will form a school to send their kids. Its a frightening concept. Minnesota will go down financially. We'll be bankrupted."

Thus, in general, the research findings portray a complex range of consequences associated with high utilization of school choice policies. The most obvious set of outcomes are those associated with the financial shifts imbedded in school choice population changes. The loss and gain of a variety of programs and staff in these districts is dramatic. Less obvious and not anticipated are repercussions of school choice which affect interpersonal relationships. Superintendents from both high-gain and high-loss districts identified perceptions that some parents used the threat of school choice transfer as a bargaining chip in power struggles.

The other area of interpersonal conflict which surfaced in the research is between superintendents. Some superintendents revealed feelings of resentment and discomfort when interacting with neighboring superintendents, who are now viewed as rivals in the competitive situation. If this is a consistent pattern, then questions should be asked about the implications for students. As with most qualitative research, this area emerged from the study and suggests future research directions.

Implications of the Results: The Theoretical Ideal and the Implementation Reality

The results of my research illuminate ways in which the requirements of a voluntary free exchange system, a competitive market-model, may not conform with the reality of school choice policy as implemented in Minnesota. Instead, the infusion of a competitive system via school choice policy may be flawed by processes which result in intended or unintended undesirable consequences. The translation of the market-model onto a public education system, such as presently existing in Minnesota, is an imperfect fit.

Friedman (1962), Chubb and Moe (1990), and Henderson (1993) are explicit about the ingredients necessary for school choice. These requirements are that (a) exchanges are voluntary; (b) that enterprises are privately owned; and (c) that natural selection be allowed to occur (Friedman, 1962; Chubb and Moe, 1990, Henderson, 1993). Some of these requirements are in place in Minnesota. However, my research indicates that this is a forced fit of the market-model onto public education, and impacts districts, selectively and unequally. Some districts and some students are able to reap benefits from the market-model. Other districts and other students are

disadvantaged.

In the following section, I will use these three requirements as a framework to view the results of this research and delineate how the market-model and school choice policy together create some conditions which limit the positive potential of a competitive system and simultaneously allow for the flourishing of inequities. The final part of this argument identifies alternative perspectives to account for the research results.

The Voluntary Requirement of the Market-Model

Friedman (1962, 1979) and other market enthusiasts believe that this requirement is a key to unleashing the positive power of the competitive system. If consumers are free to enter into "exchanges," and free to leave exchanges, then they will be able to control exchanges. The threat of losing customers (i.e., the demand-side of the market equation), it is believed, will force a level of responsiveness from the supply side of the exchange. Producers of goods and services will need to be accountable to the needs and desires of the consumers. Furthermore, Friedman (1962, 1979) emphasizes that this voluntary requirement, which is essentially the freedom to choose, is protection from coercion by government. Indeed, Friedman (1962) believed that freedom of choice, economic freedom, is absolutely essential for political freedom. Thus, freedom of individual choice, and protection from coercion are the cornerstones of this market-model requirement.

My research paints a somewhat different reality than that described by Friedman. In the Minnesota choice plan, it is certainly true that some parents have freely and voluntarily expressed their wishes through taking advantage of school choice options. In one of the high-impact districts of this study, up to 58 % of students have opted to leave. This research, however, points out another byproduct of school choice policy. I found that the expression of free choice for some people has curtailed the freedom of others. My interpretation of this research is that school choice *limits or denies choice* for some of the stakeholders, in some areas of their lives. Specifically in this study, I found that some administrators and taxpayers have suffered in the choice trade-offs. Instead of freedom of choice, *they* are experiencing coercion.

Administrators. Some administrators in the interviews indicated feeling trapped into playing the marketing game by being forced into expending time, energy and money for public relations. Engaging in marketing strategy is accepted by some superintendents. However others feel reluctant, unqualified, or just plain unwilling to participate in marketing. Some superintendents in my interviews expressed feeling "coerced" into participating in marketing activities. Thus, while Friedman (1962) connects freedom of choice with protection against coercion, my research indicates that some administrators have less choice and experience more coercion in how their professional responsibilities are defined.

The taxpayers. Taxpayers may have the least options for choice. My research indicates that

depletion of resources in high-loss districts is paradoxically accompanied by increases in special education expenses. The policy implications of this are nebulous and complex. In efforts to prevent discrimination against students with disabilities, the Minnesota school choice policies make it unprofitable to encourage special education students to leave home districts, and less costly to accept these students into their schools of choice. However, the byproduct of this arrangement is the destruction of a critical and direct link of program and financial accountability. The decisions about special education programs are made by some, with the bills paid by others. Accountability is widely recognized as one of the prime objectives of the market-model (Chubb and Moe, 1990; Friedman, 1962, 1979). It is evident that the Minnesota school choice policy fails here.

Taxpayers may also be out of the accountability cycle in the area of referendums. My research indicates that high-loss districts are using referendums to a much higher level than high-gain districts. I suggest that the possibility exists of requiring taxpayers in high-loss districts to subsidize the negative impact of school choice through these budget "add-ons." In the absence of a more detailed analysis, definite conclusions are not possible. However my research highlights the necessity for more careful scrutiny about the financial impact of school choice policy on local taxpayers. Again, this issue can be framed as a loss of control or *lack of choice* for some (taxpayers), in service of choice for a few.

The Private Ownership Requirement of the Market-Model

In Minnesota at this time, school choice involves the public schools. Thus, private schools are presently out of the competitive public arena, at least in terms of competing for public monies. Friedman (1962, 1979) and Chubb and Moe (1990) would identify this as *the* missing requirement which is limiting the power of the market-model in Minnesota school choice policy.

A number of observations, however, qualify this assumption. First, those who trust in competition and the market-model, still maintain that the imperfect model of within-public competition will produce positive effects. Advocates of charter schools and open enrollment insist that the infusion of competition within the public arena will provide the necessary incentives for positive change (Kolderie, 1995; Nathan, 1996; Finn, 1990).

Second, Friedman (1962) and Chubb and Moe (1990) and others identify the necessity of private ownership to allow a direct link between the producer and the consumer. In business, profits go into producers' pockets when consumers are satisfied. Profit motive or incentive is credited by market-model advocates to drive accountability and responsiveness. However, I believe that incentives exist within the public education arena anyway. For example, consolidation in the past five years has eliminated 51 districts and 133 administrators. This year, seven of the high-loss districts I began studying a year ago, are gone. Shrinking enrollment will probably mean loss of jobs for other superintendents and building principals. Thus, for some administrators, the "profit" involved in public school choice, may, in fact, be the retention of their jobs. In addition,

educators are sensitive to public opinion and parental criticism. Direct financial rewards may be necessary in some business sectors. In education, however, public sentiment, and threat of job security may be sufficient.

The Natural Selection Requirement of the Market-Model: Responsiveness of the Market

The third requirement of the market-model is that only with allowing failure, bankruptcy, will the supply side of business be fully responsive to the demands of the consumers. Allowing for industry failure is termed by some as "natural selection" (Chubb and Moe, 1990). The assumption is that consumers will select the best products or services for the fairest price, and, in doing so will abandon inefficient and lower quality businesses. Therefore, the best will survive in the market-model, and the failures deserve their demise. Thus, the concept of responsiveness of the market to consumer demands, or accountability, is the identified outcome of a market-model system.

In my research and in the literature there are two problems with the market-model assumptions about natural selection in school choice policy. The first involves a critical inspection about the meaning of bankruptcy within the public eduction system. The second problem, which became apparent in my research, concerns the potential abuses of parental demands for accountability.

Bankruptcy. In business, undersubscribed enterprises are allowed to whither out, to declare bankruptcy, to leave the market. The assumption is that these market failures represent the inability of these enterprises to meet the demands of the consumer. The analogy for education would be that schools which are unable to respond to parental wishes should close their doors, and indeed, deserve this fate. However, there are other implications and ramifications imbedded in this process. As Pearson (1993) noted, schools, especially in small rural areas, often serve as cultural and symbolic community centers. Her interviews pointed to community grief over losing local schools. Similarly, my interviews illustrated the emotional sentiment caused by school closings because of consolidation. Though this area needs further exploration, it is reasonable to question how closing of undersubscribed schools effect citizens feelings of belonging, of pride in their community, of a connection to past history.

Perhaps, a more disastrous result of market-model forces is that some schools may not be able to close. They may be forced to stay open, with ever decreasing resources, programs, and actively involved parents. Certainly in some of the isolated rural areas I visited, the distances to the closest "winning" schools create hardships for some students. It was easily a two hour bus trip for some students to the next closest "winning" high school. I predict that complex and extraordinary transportation costs and arrangements will prohibit closing many of the "losers" of this game. These depleted schools will continue to be needed by some students, and will be forced to limp along with greatly impoverished resources.

Parental demands. The market-model predicts that schools will become more accountable to parental demands to meet the needs of their children. The threat of loss of business, and, ultimately, the threat of bankruptcy, drives this accountability linkage. However, as shown in this research, this accountability mechanism is more complex than usually presented by market-model advocates (such as in the above discussion of effects on taxpayers), and may produce intended or unintended consequences for some stakeholders.

There appears to be a fine line between parental demands and coercion. A number of my interviews revealed that some parents used the leverage of their child's enrollment and the attached financial "voucher" to pressure administration to bend the "rules," go against a policy, or agree to a special request. I did not interview superintendents who admitted acquiescing to these pressures. However, even some of the superintendents from high-gain districts mentioned that at times, parental demands overstepped boundaries into an arena more akin to "blackmail" than to parental involvement. Anecdotal evidence in this research points to situations where parents, recognizing their financial power, pressed for certain favors for their student, whether it was to be valedictorian or play football. It is not possible to speculate from this study on how common this experience is for administrators in Minnesota, or other states with school choice. However, at least for a number of the superintendents I interviewed, they felt that abuses of parental demands did exist. Friedman (1962) warned against the coercion of governments in absence of free enterprise system. But perhaps what is possible and evident here is that coercive power has been transferred from a public agency to private citizens.

Alternative Perspectives

The results of my research illuminate ways in which the requirements of a voluntary free exchange system, a competitive market-model, may not conform with the reality of school choice policy as implemented in Minnesota. Instead, the infusion of a competitive system via school choice policy may be flawed by processes which result in intended or unintended undesirable consequences. In my research, I use the three requirements of the market-model as a framework to view the results of this research and delineate how the market-model and school choice policy together create some conditions which limit the positive potential of a competitive system and simultaneously allow for the flourishing of inequities. Instead I identified two, inter-related alternative perspectives to account for the research results: iatrogenic processes and a zero-sum game.

Iatrogenic Processes. In the medical model, iatrogenic diseases or symptoms are induced in a patient by the actions of physician. The operant word is "induced." Some effort by a "healer" causes an illness. I believe that this process is found in the policy world of school choice.

Perhaps begun by rumors, by unfortunate past resentment (like consolidation frustration),

perhaps, by poor public relations (from a reluctant entrepreneur/superintendent), perhaps by dumb luck, or even, perhaps, by accurate perceptions of schools quality...once the school choice ball gets rolling, it creates more of the "bad" that it is designed to eradicate. This iatrogenic process has been justified by "natural selection" arguments (Finn, 1990; Henderson, 1993; Chubb & Moe,1990; Friedman, 1962). Market-model advocates see the outcomes of competition as survival of the best, and the thankful failure of the worse. However, I did not reach this conclusion. Based on my interviews, and especially looking at the effects of financial loss because of student population shift, I believe that the choice policy itself is creating poor schools. The programs which attract and are valued by parents are being systematically cut from high-loss districts. Programs which the consumers want are being systematically added to the high-gain districts. The ability to be truly accountable to parental wishes is, therefore, limited by the financial fallout of the policy. If parents cite lack of responsiveness, it may be that their collective actions through school choice utilization have made it impossible for high-loss districts to be truly responsive.

The Zero-Sum Game. This research study indicates a distinct pattern of zero-sum processes correlating to school choice implementation. The school choice policy in Minnesota (as it is in most other states) is predicated on a shifting of state money from one district to another based on a shifting of student population. Predictably, consequences of these revenue shifts is very evident in the programs and staffing in these high-impact districts. Many programs have been reduced or eliminated in high-loss districts. Conversely, many programs have been expanded or added in high-gain districts. The total equation is quite apparent: loss by some districts equals gain by others. My review of the programmatic impact of school choice in these districts clearly highlighted this zero-sum situation.

Students who are left behind in high-loss districts find themselves in schools with significantly less resources. In addition, my research has indicated that for these high-loss districts, proportionally more money is allocated to special education. Therefore in these high-loss districts, the allocation of financial resources is different than in high-gain districts. Less money is available for "regular" education programs in these high-loss districts. For "regular education" students who remain in these districts--there is no choice. They have fewer resources and fewer program options to support their education. Friedman (1962) noted that the voluntary nature of competitive capitalism assumes that "nearly equal alternatives exist" (p. 28). However, my interpretation of the course of infusion of the market-model into Minnesota public schools for the past ten years, is that the process itself creates less equal alternatives. The iatrogenic process and the zero-sum characteristics of the school choice policy in Minnesota profoundly tip the scales towards less equal educational opportunities.

The Competitive Spirit. Lastly, school choice encourages, indeed is based upon, a theory of competition. This competitive spirit, I assert, is not confined to the market-model situation. It

seeps out of the school choice/education arena into the community environs and culture. Unfortunately, I believe that this competitive spirit is the antithesis of what rural AND urban communities need to stay vibrant.

My research revealed that some superintendents in these high-impact districts act from a position of resentment and suspiciousness, rather than with a cooperative spirit. My concern is that the infusion of competition into these small school districts transfers that sentiment into the community itself. Instead of building communities, I fear that these tensions will emphasize isolation and lack of compassion for others. This is, of course, extremely difficult to research and measure. And, admittedly, this is a value-laden topic. However, a reasonable question may be to what extent does competition preclude collaboration, and what does the infusion of the market-model mean for community culture?

This research, finally, underscores the complexity of school choice policies. School choice has intricate reverberations. The tentacles of the policy stretch into the social, as well as educational, fabric of our society. These complexities call for thoughtful scrutiny on the part of policy-makers. Legislators instituting school choice policy need to separate themselves from the intense pressure of passionate advocates, and carefully consider and evaluate the potential long range consequences.

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